



Commerce Update

June 2002 Edition

Kernan Forms Life Sciences CEO Roundtable

To ensure that the state's fastest growing industry remains a healthy one, Lt. Governor Joe Kernan recently announced the creation of a life sciences CEO roundtable.

Composed of leading executives from Indiana life sciences companies, the roundtable will assist in the attraction and development of health-related businesses throughout the state.

More than 82,000 Hoosier workers make their living in the life sciences industry. The health industry in general is the state's largest employer, providing jobs to 318,000 people or 13.3 percent of private sector employees.

The roundtable's activities will include identifying companies that would complement Indiana's current businesses; working with existing companies to ensure their long-term needs are being met; arranging meetings that introduce business leaders outside Indiana to the state's life sciences advantages; and partnering with local economic development organizations for the targeted placement of life science companies.

Appointed by Lt. Governor Kernan, the members will be announced by the end of the summer and will begin meeting this fall.

Indiana Exports Remain Strong in 2001

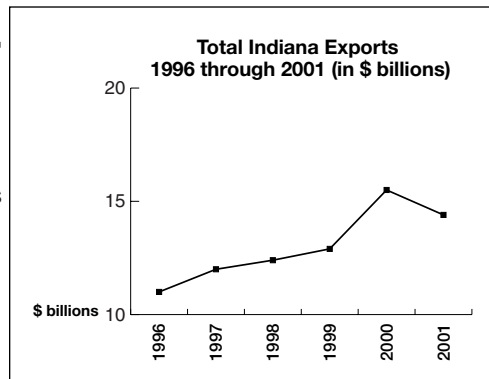
Despite a national recession and the events of Sept. 11, Indiana held its position in the international marketplace in 2001 – recording its second highest export numbers in history.

In April, Lt. Governor Kernan announced that Indiana exported \$14.4 billion in goods in 2001. Mirroring national trends, Indiana's exports fell by \$1.02 billion, or 6.6%, from 2000's record setting numbers. Exports from the United States declined by \$49 billion, or 6.3%.

"Obviously, this was a tough year for business in general – especially exports," said Kernan, "Yet, when you look at the entire picture – such as the fact that 2001 exports strongly outperformed our 1999 numbers – it really is a testament to the value of the products and services that Indiana businesses provide."

While exports were down from last year, the fourth quarter of 2001 ended on a slight upswing. Indiana's fourth quarter exports totaled almost \$3.47 billion, a \$72 million increase over third quarter 2001, representing an annualized increase of 8.5%.

Canada was the top destination for Indiana products in 2001, accounting for 42% of the state's exports. Mexico was the second-largest export destination, accounting for



Commerce Connections...

*By Linda McGrannahan, Director,
Marketing and Public Affairs Division*

At Commerce, we've been working hard throughout the last several months trying to update our communication and marketing efforts to better accommodate our customers' needs. Now, we are proud to unveil some of those efforts.

The first is the new direction and design of this publication, Commerce Update. With the advent of our e-mail news distribution service, the original intent of this newsletter – to communicate Commerce's grants and awards – is being fulfilled. So, starting with this issue, we will bring you other types of stories on economic development efforts that the Department of Commerce is involved in throughout Indiana.

We've also recently completed an overhaul of Commerce's Web site, www.indianacommerce.com. The look of the new site matches our overall marketing campaign, and the site's content was reorganized and updated with the user in mind. The site includes information on Commerce's business incentive and community development programs, reports on key Hoosier industries, electronic versions of Commerce publications, links to county economic and demographic profiles, tourism information, state-to-state business cost comparisons and much more.

As always, your input is essential. If you have any suggestions for improving either Commerce Update, our Web site, or any other Commerce Marketing or Public Affairs product, please feel free to contact our division at 317.233.9634.

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12% of all export sales, and other top purchasers were the United Kingdom, Japan and France. Indiana's top export industry for the year was vehicles, with sales of \$3.9 billion.

In addition to details about fourth quarter and year-end export numbers, The New Quarterly Indiana Export Report features a summary of a special report on the impact of Indiana's export sales on employment. The full report is available at www.indianacommerce.com.

Kernan Announces New Export Relationship with India

Expanding Indiana's presence in the international market, Lt. Governor Joe Kernan recently announced the creation of a new partnership to help Hoosier businesses export products to India.

Indiana's India Initiative (IN³) brings together Commerce's International Trade Division and MNDS International, a management consulting company, in an effort to develop new trade opportunities between the state and the southern Asian country.

Commerce and MNDS International have entered into a Memorandum of Understanding that indicates MNDS will provide export information and introductory marketing services to Indiana businesses at no cost. Commerce and MNDS will work together to organize customized half-day seminars for business groups across the state. MNDS will offer additional assistance to companies on a fee-for-service basis.

The IN³ program is Indiana's 14th extension of trade services abroad. Currently, Indiana has trade offices in Argentina, Brazil, Canada, Chile, China, Israel, Japan, Korea, Mexico, the Netherlands, Singapore, South Africa and Taiwan.

Random House Expands in Crawfordsville

In May, Random House, Inc., the world's largest general interest book publisher, broke ground on a major expansion at its Crawfordsville facility.

The company will invest \$6.2 million to expand its distribution facility, retaining 120 existing employees and creating a significant number of new jobs by 2003.

Random House, Inc. is America's market-leading publisher of best-selling, prize-winning fiction and nonfiction hardcover, paperback and audio books.

It purchased Golden Books Entertainment, including the Crawfordsville facility, in August 2001 and plans to expand the existing facility by 270,000 square feet. When fully operational in 2003, the facility will house more than 90 million books and serve as the national distribution center for the Random House Children's Books Division.

To secure the project, the Indiana Department of Commerce offered a Skills Enhancement Fund (SEF) grant of up to \$49,500 to help defray the cost of training employees in skills required by the expansion. Commerce also offered the city of Crawfordsville a \$500,000 industrial development grant, using federally funded Community Development Block Grant dollars. The grant may be used toward the purchase of land, and capital equipment. To be eligible for the funds, Random House, Inc. must agree to make at least 51 percent of its positions available to persons of low and moderate incomes.

In addition to the state programs, the city of Crawfordsville offered tax abatements on personal property and \$150,000 for employee training. The city also agreed to pay for sewer and water connections. Vectren Gas Co. also assisted the effort, offering to pay 50 percent of any gas piping required for the new facility up to a maximum of \$5,000.

Winalta Lands in Greene County, Bringing 257 New Jobs

Manufacturing a brighter future for Greene County, Winalta announced plans in April to open its first U.S.-based modular and manufactured housing plant in Linton. Creating 257 new jobs by the end of 2004, the Canadian-based company will invest \$4.9 million to renovate an existing facility and will produce between 600 and 1,000 homes per year, or about four units per day.

Marketed under Winalta Inc.'s Ridgewood, Westalta and Carlton brand names, the plant will build both modular and manufactured homes that will be sold throughout the Midwest. Modular homes are factory built, single- or multi-section homes constructed to meet federal guidelines that, once completed, are transported in sections to the home site and installed. Manufactured homes are factory built, constructed to meet state and local standards.

Competing with Kentucky for the project, the Indiana Department of Commerce offered the company up to \$1.1 million in EDGE (Economic Development for a Growing Economy) tax credits and \$145,000 from the Skills Enhancement Fund (SEF) to help defray the cost of training new employees. Greene County offered 10-year tax abatement on real property of up to \$421,775 and abatement on personal property of \$82,887.

Commerce also offered the city of Linton a \$2 million low-interest industrial development loan, using federally funded Community Development Block Grant dollars. The loan may be used toward the purchase of land, and capital equipment. To be eligible for the funds, Winalta must agree to make at least 51 percent of the new jobs positions available to persons of low and moderate incomes, as prescribed by federal regulations.

Kernan Announces Distribution Center in South Bend; 800 New Jobs

Lt. Governor Joe Kernan, South Bend Mayor Steve Luecke and Project Future Executive Director Patrick McMahon joined city officials in March to announce TJX Companies' second major venture in Indiana.

TJX Companies, which also operates TJ Maxx and Marshall's stores, will build a new \$41 million, 500,000-square-foot distribution center for its A.J. Wright stores in South Bend. The new facility will be constructed on an 85-acre brownfield site in the city's Urban Enterprise Zone and will employ more than 800 workers by 2007. In October of 2001, TJX Companies opened a similar distribution center in Brownsburg to service its HomeGoods stores.

To secure the project, Commerce provided \$300,000 from the Skills Enhancement Fund to help defray the cost of training new employees. Commerce also awarded the city \$1.05 million from the Industrial Development Grant Fund to assist in infrastructure improvements required by the expansion. Due to its location in an enterprise zone, the company will also be exempt from inventory and gross income taxes and is eligible for up to a \$1,500 employment expense credit per zone resident employee hired to work at the location. The city will invest \$5.5 million and offer a ten-year tax abatement of \$2.8 million. Additionally, the South Bend Urban Enterprise Association is extending a \$200,000 grant for expanded training assistance.

News Briefs...

Economic Development Web Sites Get New Look; Add Tools

Be sure to visit two of Indiana's main economic development Web sites – www.STATS.Indiana.edu and www.indianacommerce.com — to see what new tools are available to businesses and communities. Both sites have new features designed to provide more complete information about the state's economy in a fast, user-friendly way. We welcome your suggestions to make commerce's websites easier to use.

Commerce's 2001 Annual Report is Available

Commerce's 2001 Annual Report, titled "Relationships," is now available. To receive a copy, call the Marketing and Public Affairs Division at 317.233.9634 or email us at shazelwood@commerce.state.in.us. The report is also available on the Web at www.indianacommerce.com in the publications section.

New Commerce Ad Featured in June's Trade Publications

Look for Commerce's newest ad featuring Noblesville's Index Corp. in June's *Area Development* and *Business Facilities* publications. The internationally renowned manufacturer of turning machines announced plans in July of 2001 to move its North American headquarters to Noblesville.

The German-based company is investing millions of dollars in a new state-of-the-art facility that will house its administrative and manufacturing units. Index Corp.'s relocation to Indiana will create 130 new, high-wage jobs by 2007.

June Ad Schedule:

Area Development: Fit

Business Facilities: Fit

Pharmaceutical Executive: Life

Indiana Attends BIO 2002

From June 9-12, Commerce officials attended the BIO 2002 International Biotechnology Convention & Exhibition in Toronto, Canada. The trade show, which is the world's largest biotechnology conference, attracted approximately 14,000 attendees from 44 nations worldwide and included over 900 exhibition booths.

Free Export Seminars

Commerce's International Trade Division will host the second annual "Export Indiana" seminars this summer from July 16-18. The free seminars will include information and market profiles on 12 different world regions and small group meetings with officials from Indiana's foreign trade offices. Participants may also meet with officials from the Export-Import Bank of the United States and speak with Indiana's Agricultural Trade Specialist.

July 16

South Bend - Saint Mary's College
Le Mans Hall, Stapleton Lounge
8:30 a.m. – 3:30 p.m.

July 17

Indianapolis - Butler University
Robertson Hall, Reilly Room
8:30 a.m. – 3:30 p.m.

July 18

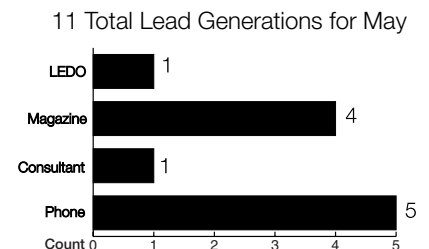
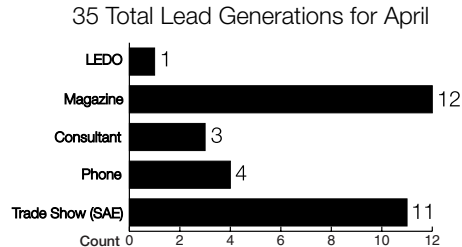
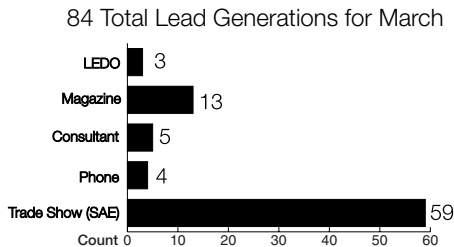
New Albany – Indiana University Southeast
Library Bldg 010, Multi-Purpose Room
8:30 a.m. – 3:30 p.m.

If you are interested in attending, please contact the International Trade Division by calling 317.232.8845 no later than July 10, 2002.

Mark Your Calendars...

- June 20 – State Enterprise Zone Board meeting, 1:30 p.m., Indiana Government Center South Conference Center, Rm. B, Indianapolis.
- June 26 – Community Development Block Grant Brownfield Workshop, 1 p.m., IDFA Conference Rm., Suite 900, One North Capitol, Indianapolis.
- July 12 – Community Focus Fund Round 2 Proposal deadline, 5 p.m. (Indianapolis timezone), Community Development Division, One North Capitol, Suite 600, Indianapolis.
- July 16 – Export Indiana Seminar, Saint Mary's College, Le Mans Hall, Stapleton Lounge, 8:30 a.m. – 3:30 p.m., South Bend.
- July 17 – Export Indiana Seminar, Butler University, Robertson Hall, Reilly Room, 8:30 a.m. – 3:30 p.m., Indianapolis.
- July 18 – Export Indiana Seminar, Indiana University Southeast, Library Bldg 010, Multi-Purpose Room, 8:30 a.m. – 3:30 p.m., New Albany.
- July 19 – Individual Development Account Award announcement notification.
- July 23 – Neighborhood Assistance Program Workshop, 1:00 - 3:00 p.m., location to be announced.

Lead Generations



For the latest news including Commerce's grants and awards, visit Commerce's Web site at www.indianacommerce.com or contact Jeff Harris, media relations director, at jharris@commerce.state.in.us to sign up for the Commerce e-news service.

